

### **REMARKS**

Amendment F is hereby provided after careful consideration of the Examiner's comments set forth in the Office Action mailed July 6, 2010. Claims 1-21, 23-52, and 55-60 remain in the application after Amendment F is entered. Reconsideration of the application is respectfully requested in view of the amendments and remarks provided herein.

### **The Office Action**

Claims 1-21, 23-52, and 55-60 stand rejected under 35 U.S.C. § 101 for allegedly being directed to non-statutory subject matter.

Claims 40 and 41 stand rejected under 35 U.S.C. § 102(e) for allegedly being anticipated by U.S. Pat. Pub. No. 2003/0105677 to Skinner.

Claims 1-21, 23-39, 42-52, and 55-59 stand rejected under 35 U.S.C. § 103(a) for allegedly being obvious over Skinner in view of U.S. Pat. Pub. No. 2003/0055816 to Paine et al.

Claim 60 stands rejected under 35 U.S.C. § 103(a) for allegedly being obvious over Skinner in view of Paine et al. and in further view of U.S. Pat. Pub. No. 2004/0093296 to Phelan et al.

### **The § 101 Art Rejections**

#### **Claims 1-21, 23-30, 55, 56, and 58-60 Are Directed to a Statutory Process Under § 101.**

Independent claim 1 is directed to a method that includes "a) selecting at least one candidate advertisement ...; b) selecting an initial plurality of candidate keywords; c) expanding the initial plurality of candidate keywords selected in b) based at least in part on the at least one candidate advertisement selected in a) to form an expanded plurality of candidate keywords; d) creating an advertisement-keyword pair for each candidate advertisement selected in a) and each candidate keyword ...; e) estimating a click-through rate for each advertisement-keyword pair created in d); f) calculating a return on advertising investment (ROAI) for each advertisement-keyword pair created in

d) based at least in part on the corresponding click-through rate estimated in e); g) calculating an **optimized** bid for each advertisement-keyword pair created in d) based at least in part on the corresponding ROAI calculated in f); and h) **automatically** submitting the optimized bids for each advertisement-keyword pair calculated in g) to the competitive bidding process for placement of each candidate advertisement selected in a) in search results lists generated in response to search queries comprising at least one keyword of the expanded plurality of candidate keywords resulting from c).” The Office Action argues the subject claim fails the machine-or-transformation test, which requires that the claimed subject matter either: (1) be tied to another statutory class; or (2) transform the underlying subject matter (such as an article or a material) to a different state or thing. However, for the following reasons, Applicants respectfully submit that claim 1 is directed towards statutory subject matter.

With respect to a transformation, it is respectfully submitted that the Supreme Court precedent and recent Federal Circuit decisions cited by the Office Action do not require a physical transformation. Indeed, at 450 U.S. 192, in cited *Diamond v. Diehr*, the Supreme Court indicated that --when a claim containing a mathematical formula implements or applies that formula in a structure or process which, when considered as a whole, is performing a function which the patent laws were designed to protect (e.g., transforming or reducing an article to a different state or thing), then the claims satisfies the requirements of §101-- (emphasis added). In this regard, Applicants note that the Court could have used the word “physical” and did not. Further, *Webster’s Third New International Dictionary* principal Copyright 1961, Copyright 1993 by Merriam-Webster, Inc., indicates that article means *inter alia*: 3a: a particular item of business...6a: a thing of a particular class or kind as distinct from a thing of another class or kind.

Under the machine-or-transformation test, Applicants respectfully submit that claim 1 is both tied to a machine and transforms the underlying subject matter of claim 1 to a different state. Namely, at least one of elements e) through h) (i.e., estimating a click-through rate, calculating an ROAI, calculating an optimized bid, and automatically submitting the optimized bid) of claim 1 inherently require a computer or a processor to be performed. In particular, the Applicant notes that the bid calculated in element g) is “optimized” and the bid submitted in element h) is “automatically” submitted.

Additionally, claim 1 transforms data pertaining to selected keywords and selected advertisements to optimized bids for advertisement-keyword pairs. It is respectfully submitted that optimized bids are particular items of business and/or things of a particular class or kind as distinct from a thing of another class or kind, and therefore an article.

Based at least on the foregoing, it is submitted that claim 1 is directed to a statutory process under § 101. Accordingly, the applicant respectfully requests that the rejections of independent claim 1 and claims dependent thereon (e.g., claims 2-21, 23-30, 55, 56, and 58-60) under § 101 be withdrawn.

**Claims 40 and 41 Are Directed to a Statutory Process Under § 101.**

Independent claim 40 is directed to a method that includes "a) selecting at least one candidate advertisement ...; b) selecting a plurality of candidate publisher web pages ...; c) creating an advertisement-publisher web page pair for each candidate advertisement selected in a) and each candidate publisher web page selected in b); **d) estimating a click-through rate for each advertisement-publisher web page pair** created in c); **e) calculating a return on advertising investment (ROAI)** for each advertisement-publisher web page pair created in c) based at least in part on the corresponding click-through rate estimated in d); **f) calculating an optimized bid for each advertisement-publisher web page pair** created in c) based at least in part on the corresponding ROAI calculated in e); and **g) automatically submitting the optimized bids for each advertisement-publisher web page pair** calculated in f) to the competitive bidding process for placement of each candidate advertisement selected in a) in at least one publisher web page of the plurality of candidate publisher web pages selected in b)." The Office Action rejected claim 40 under § 101 for the same reasons used in the rejection of claim 1 under § 101. Therefore, the arguments used above to show that claim 1 is directed to a statutory process under § 101 also serve to show that claim 40 is directed to a statutory process under § 101. Based at least on the foregoing, it is submitted that claim 40 is directed to a statutory process under § 101. Accordingly, the applicant respectfully requests that the rejections of independent claim 40 and claims dependent thereon (e.g., claim 41) under § 101 be withdrawn.

**Claims 42-52 Are Directed to a Statutory Process Under § 101.**

Independent claim 42 is directed to a method that includes "a) selecting at least one candidate advertisement ...; **b) selecting one or more keywords based at least in part on content of the at least one candidate advertisement selected in a) to optimize the keyword selecting and provide one or more optimized keywords;** **c) creating an advertisement-keyword pair for each candidate advertisement selected in a) and each optimized keyword selected in b) ...; d) calculating an optimized bid for each advertisement-keyword pair created in c) based at least in part on the one or more optimized keywords selected in b); and e) automatically submitting the optimized bids for each advertisement-keyword pair calculated in d) to the competitive bidding process for placement of each candidate advertisement selected in a) in search results lists generated in response to search queries comprising at least one keyword of the one or more optimized keywords selected in b)." The Office Action rejected claim 42 under § 101 for the same reasons used in the rejection of claim 1 under § 101. Therefore, the arguments used above to show that claim 1 is directed to a statutory process under § 101 also serve to show that claim 42 is directed to a statutory process under § 101. Based at least on the foregoing, it is submitted that claim 42 is directed to a statutory process under § 101. Accordingly, the applicant respectfully requests that the rejections of independent claim 42 and claims dependent thereon (e.g., claims 43-52) under § 101 be withdrawn.**

**Claims 31-39 Are Directed to Statutory Subject Matter Under § 101.**

As amended, independent claim 31 is directed to a server-based apparatus that includes "an advertisement selection system ...; a keyword selection system ...; an advertisement-keyword selection system ...; and a bid determination system." The Office Action argues that claim 31 recites an apparatus that appears to comprise merely software modules that is just descriptive material and non-statutory under § 101. Notably, the elements (e.g., advertisement selection system, keyword selection system, advertisement-keyword selection system, and bid determination system) of claim 31 are each directed to physical components of a server-based apparatus. As such, the

apparatus claim qualifies as a machine under § 101, which is an enumerated statutory category.

In support the § 101 rejection of claim 31, the Office Action relies on MPEP 2106.01. However, the Applicant notes that MPEP 2106.01 states the following:

Computer programs are often recited as part of a claim.

USPTO personnel should determine whether the computer program is being claimed as part of an otherwise statutory manufacture or machine. In such a case, the claim remains statutory irrespective of the fact that a computer program is included in the claim. The same result occurs when a computer program is used in a computerized process where the computer executes the instructions set forth in the computer program. Only when the claimed invention taken as a whole is directed to a mere program listing, i.e., to only its description or expression, is it descriptive material per se and hence nonstatutory. (see MPEP 2106.01(I), 3<sup>rd</sup> para) (emphasis added)

Applicant notes that the citation above from the MPEP shows that the Office Action assertions are clear error and in conflict with the very MPEP guidelines referred to in the Office Action. In other words, it is clear error to classify independent claim 31 and claims that depend thereon (e.g., claims 32-39) as being directed, as a whole, to "software per se" or "functional descriptive material" because the claims, taken as a whole, are not directed to mere program listings.

Based at least on the foregoing, it is submitted that claim 31 is directed to a statutory subject matter under § 101. Accordingly, the applicant respectfully requests that the rejections of independent claim 31 and claims dependent thereon (e.g., claims 32-39) under § 101 be withdrawn.

**Claim 57 is Directed to Statutory Subject Matter under § 101.**

As amended, independent claim 57 is directed to a server-based computer program that includes "a non-transitory computer-readable storage medium having the computer program embodied in the storage medium for causing the apparatus to perform the following." The Office Action rejected claim 57 under § 101 because it originally was directed to "a computer useable medium having computer readable program code embodied in the medium" which could be broadly interpreted to read on "signals" and "carrier waves." As amended, claim 57 cannot reasonably be interpreted to read on "signals" and "carrier waves," particular because the "non-transitory" limitation was added in this amendment. Based at least on the foregoing, it is submitted that claim 57 is directed to a statutory subject matter under § 101. Accordingly, the applicant respectfully requests that the rejections of independent claim 57 under § 101 be withdrawn.

**The § 102 Art Rejections**

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. See *Verdegaal Bros v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987). In order for the reference to anticipate a claim, it must teach every element of the claim. See MPEP § 2131.

**Claims 40 and 41 Patentably Distinguish Over Skinner.**

Independent claim 40 is directed to a method that includes "a) selecting at least one candidate advertisement ... for subsequent placement in at least one publisher web page ...; c) creating an advertisement-publisher web page pair for each candidate advertisement selected in a) and each candidate publisher web page selected in b); ... f) calculating an optimized bid for each advertisement-publisher web page pair ...; and g) automatically submitting the optimized bids for each advertisement-publisher web page pair calculated in f) to the competitive bidding process for placement of each candidate advertisement selected in a) in at least one publisher web page of the plurality of candidate publisher web pages selected in b)." The Office Action relies on

Skinner for disclosure of elements a), c), f) and g) of claim 40. The § 102 rejection of claim 1 in reliance on Skinner is clear error on any one of at least four grounds because Skinner does not disclose or fairly suggest the features claimed in elements a), c), f), and g).

As for element a), the Office Action relies on paragraphs 14 and 37-43; FIG. 2, items 42 and 44; and FIG 3, item 50 of Skinner for disclosure of "selecting at least one candidate advertisement." However, the cited portions of Skinner merely disclose how bids for auctioned positions in a search results lists may be placed by advertisers. For successful bids, the Skinner process results in improved placement of the winning advertiser's listing in search results lists. The winning advertiser's listing in Skinner is merely a link to an advertiser's web site. Notably, the Skinner process does not consider selection of an advertisement as part of the bidding process.

The Office Action appears to relate the Skinner "search terms" to the "candidate advertisement" in element a) of claim 40. The USPTO may attempt to use the discussion in the Office Action's Response to Arguments on pages 29 and 30 that is related to "advertisement selection" in element a) of claim 1 and the "advertisement selection system" element of claim 31 to support this position. More specifically, this section of the Office Action relies on Webster's Dictionary definition of "advertisement" as a "public notice." This reasoning appears to presume that each keyword displayed by a search engine is a public notice; therefore, the Office Action appears to conclude that each keyword (e.g., Skinner search term) displayed by a search engine is an advertisement (e.g., candidate advertisement of element a) in claim 40).

However, this reasoning is flawed because it is not appropriate to substitute all types of "public notice" (e.g., "search term" from Skinner) for "advertisement." For example, all types of "public notice" would include public notices that were derogatory or negative to the corresponding advertiser along with public notices that were favorable or positive. More appropriate definitions for "advertisement" in the context of claim 1 may be found from the following sources:

Oxford Dictionary – a notice or announcement in a public medium promoting a product, service, or event or publicizing a job vacancy;

Cambridge Dictionary – a picture, short film, song, etc. which tries to persuade people to buy a product or service;

Business.com – paid, non-personal, public communication about causes, goods and services, ideas, organizations, people, and places ..., their objective is to change the thinking pattern (or buying behavior) of the recipient, so that he or she is persuaded to take the action desired by the advertiser; and

Internetadsales.com – a paid announcement or search transaction, as for example used with goods for sale or calling attention to the public to a marketing or branding message for the promotion of a product or service.

Each of the “advertisement” definitions cited above would require a “public notice” to be “promotional” or “persuasive” with respect to a corresponding advertiser in order to substitute “advertisement” for the corresponding “public notice.” Based on the foregoing, the Applicants respectfully submit that an appropriate definition for “advertisement” in relation to claim 40 is “promotional or persuasive public notice,” rather than any type of “public notice.” In other words, the Skinner “search terms” would have to be described as “promotional or persuasive” in Skinner to be substituted for the “advertisement” in element a) of claim 40.

Accordingly, it is not appropriate to substitute “search term” for “advertisement” in the phrase “selecting at least one candidate advertisement” in element a) of claim 40 or vice versa. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element a) of claim 40.

As for element c), the Office Action relies on paragraphs 12, 39, and 40; FIG. 2, items 42 and 44; and FIG. 3, item 78 of Skinner for disclosure of “creating an advertisement-publisher web page pair for each candidate advertisement ... and each candidate publisher web page.” However, the cited portions of Skinner merely disclose the presence of an OMM, such as a search engine. Moreover, these portions of Skinner do not disclose or fairly suggest placement of advertisements in multiple search engine web pages as stated in the Office Action. Also, as stated above, Skinner does not disclose or fairly suggest selection of the advertisement as part of the bidding



process. Notably, Applicants have failed to find reference to creating combinations of advertisements and publisher web pages to create advertisement-publisher web page pairs as recited in element c) of claim 40. Applicants respectfully submit that the mere presence of an OMM (or search engine) does not necessarily require creating an advertisement-publisher web page pair for each selected advertisements and each selected publisher web page. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element c) of claim 40.

As for element f), the Office Action relies on paragraphs 44-48 of Skinner for disclosure of "calculating an optimized bid for each advertisement-publisher web page pair." However, the cited portions of Skinner merely disclose how bids for auctioned positions in a search results list may be placed by advertisers and how a maximum bid for the auctioned position might be determined by an OMM for the advertiser. Also, as stated above, the Skinner process does not disclose or fairly suggest selection of the advertisement as a variable in calculating a bid during the bidding process. The cited portions of Skinner disclose how a maximum bid is evaluated to determine if it is a good buy and how the maximum bid is maintained, decreased, or removed. Notably, Skinner does not refer to the maximum bid as an optimized bid for an advertisement-publisher web page pair as recited in element f) of claim 40. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element f) of claim 40.

As for element g), the Office Action relies on paragraphs 14-20 of Skinner for disclosure of "submitting the optimized bids for each advertisement-publisher web page pair ... to the competitive bidding process." However, the cited portions of Skinner merely disclose how bids for auctioned positions in a search results list may be placed by advertisers. For successful bids, the Skinner process results in placement of the winning advertiser's search listing in search results lists. Notably, the winning advertiser's listing in Skinner is merely a link to an advertiser's web site. Also, as stated above, Skinner does not disclose or fairly suggest selection of the advertisement as part of the bidding process. Thus, the bids submitted in Skinner are not for an advertisement-publisher web page pair. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element g) of claim 40.

Based at least on the foregoing, it is submitted that claim 40 is patentably distinguished from Skinner. Accordingly, Applicants respectfully submit that independent claim 40 and claims dependent thereon (e.g., claim 41) are currently in condition for allowance.

### **The § 103 Art Rejections**

Obviousness rejections are based on the statutory language that "a patent may not be obtained ... if the difference between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art." See 35 U.S.C. § 103(a). The key to supporting any obviousness rejection is the clear articulation of the reason(s) why the claimed invention would have been obvious. See MPEP § 2142. The analysis supporting an obviousness rejection should be made explicit. See *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398, 418 (2007). Rejections on obviousness cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusions of obviousness. See *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006).

### **Claims 1-21, 23-30, 55, 56, and 59 Patentably Distinguish Over the Combination of Skinner and Paine.**

Independent claim 1 is directed to a method that includes "a) selecting at least one candidate advertisement ... for subsequent placement in search results lists ...; c) expanding the initial plurality of candidate keywords selected in b) based ... on the ... candidate advertisement selected in a) to form an expanded plurality of candidate keywords; d) creating an advertisement-keyword pair for each candidate advertisement selected in a) and each candidate keyword ...; g) calculating an optimized bid for each advertisement-keyword pair ...; and h) automatically submitting the optimized bids for each advertisement-keyword pair calculated in g) to the competitive bidding process for placement of each candidate advertisement selected in a) in search results lists generated in response to search queries comprising at least one keyword of the

expanded plurality of candidate keywords resulting from c)." This obviousness rejection is clear error on any one of at least five grounds because neither Skinner nor Paine disclose or fairly suggest elements a), c), d), g), and h) of claim 1. The Office Action reasons for obviousness do not cure these errors because they do not explicitly state how any of elements a), c), d), g), or h) would have been obvious based on Skinner, Paine, or the combination thereof.

As for element a), the Office Action does not cite Paine for disclosure of this element of claim 1. Thus, the Office Action totally relies on Skinner for disclosure of element a) of claim 1. More specifically, the Office Action relies on paragraph 14 of Skinner for disclosure of "selecting at least one candidate advertisement." However, the cited portion of Skinner merely discloses how bids for auctioned positions in a search results lists may be placed by advertisers. For successful bids, the Skinner process results in placement of the winning advertiser's listing in search results lists. The winning advertiser's listing in Skinner is merely a link to an advertiser's web site. Notably, the Skinner process does not consider selection of an advertisement as part of the bidding process.

The Office Action appears to relate the Skinner "search terms" to the "candidate advertisement" in element a) of claim 1. The Office Action may use the discussion in the Response to Arguments on pages 29 and 30 that is related to "advertisement selection" in element a) of claim 1 to support this position. More specifically, this section of the Office Action relies on Webster's Dictionary definition of "advertisement" as a "public notice." This reasoning appears to presume that each keyword displayed by a search engine is a public notice; therefore, the Office Action appears to conclude that each keyword (e.g., Skinner search term) displayed by a search engine is an advertisement (e.g., candidate advertisement of element a) in claim 1).

However, this reasoning is flawed because it is not appropriate to substitute all types of "public notice" (e.g., "search term" from Skinner) for "advertisement." For example, all types of "public notice" would include public notices that were derogatory or negative to the corresponding advertiser along with public notices that were favorable or positive. More appropriate definitions for "advertisement" in the context of claim 1 may be found from the following sources:

Oxford Dictionary – a notice or announcement in a public medium promoting a product, service, or event or publicizing a job vacancy;

Cambridge Dictionary – a picture, short film, song, etc. which tries to persuade people to buy a product or service;

Business.com – paid, non-personal, public communication about causes, goods and services, ideas, organizations, people, and places ..., their objective is to change the thinking pattern (or buying behavior) of the recipient, so that he or she is persuaded to take the action desired by the advertiser; and

Internetadsales.com – a paid announcement or search transaction, as for example used with goods for sale or calling attention to the public to a marketing or branding message for the promotion of a product or service.

Each of the "advertisement" definitions cited above would require a "public notice" to be "promotional" or "persuasive" with respect to a corresponding advertiser in order to substitute "advertisement" for the corresponding "public notice." Based on the foregoing, the Applicants respectfully submit that an appropriate definition for "advertisement" in relation to claim 1 is "promotional or persuasive public notice," rather than any type of "public notice." In other words, the Skinner "search terms" would have to be described as "promotional or persuasive" in Skinner to be substituted for the "advertisement" in element a) of claim 1.

Accordingly, it is not appropriate to substitute "search term" for "advertisement" in the phrase "selecting at least one candidate advertisement" in element a) of claim 1 or vice versa. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element a) of claim 1.

As for element c), the Office Action admits that Skinner does not disclose this element of claim 1. Thus, the Office Action totally relies on Paine for disclosure of element c) of claim 1. More specifically, the Office Action relies on paragraph 4 and 13 of Paine for disclosure of "expanding the initial plurality of keywords ... based ... on the ... candidate advertisement ... to form an expanded plurality of keywords." However, the cited portions of Paine merely disclose two techniques for making search term recommendations to an advertiser. The first technique involves spidering, wherein the advertiser's website is searched for recurring terms on an advertiser's web site. The second technique involves collaborative filtering, wherein the advertiser is compared with other, similar advertisers and search terms the other advertisers have chosen are recommended. Notably, the cited portions of Paine do not disclose or fairly suggest expanding selected keywords as recited in element c) of claim 1. Rather, the cited portions of Paine involve the initial selection of initial keywords. Further, the cited portions of Paine do disclose or fairly suggest expanding selected keywords based on a selected candidate advertisement as recited in element c) of claim 1. Namely, the Office Action has failed to provide any citation for disclosure of keyword expansion on the basis of an advertisement. Therefore, it is not appropriate to rely on the cited portions of Paine for disclosure of element c) of claim 1.

As for element d), the Office Action does not cite Paine for disclosure of this element of claim 1. Thus, the Office Action totally relies on Skinner for disclosure of element d) of claim 1. More specifically, the Office Action relies on paragraphs 37-39 of Skinner for disclosure of "creating an advertisement-keyword pair for each candidate advertisement ... and each candidate keyword." However, the cited portions of Skinner merely disclose the presence of an OMM, such as a search engine. Also, as stated above, Skinner does not disclose or fairly suggest selection of the advertisement as part of the bidding process. Notably, Applicants have failed to find reference to creating combinations of advertisements and keywords to create advertisement-keyword pairs as recited in element d) of claim 1. Applicants respectfully submit that the mere presence of an OMM (or search engine) does not necessarily require creating an advertisement-keyword pair for each selected advertisements and each selected

keyword. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element d) of claim 1.

As for element g), the Office Action does not cite Paine for disclosure of this element of claim 1. Thus, the Office Action totally relies on Skinner for disclosure of element g) of claim 1. More specifically, the Office Action relies on paragraphs 44-60 of Skinner for disclosure of "calculating an optimized bid for each advertisement-keyword pair." However, the cited portions of Skinner merely disclose how bids for auctioned positions in a search results list may be placed by advertisers. Notably, the Skinner process does not consider an actual advertisement to be placed in the search results list as a variable in calculating a bid during the bidding process. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element g) of claim 1.

As for element h), the Office Action does not cite Paine for disclosure of this element of claim 1. Thus, the Office Action totally relies on Skinner for disclosure of element h) of claim 1. More specifically, the Office Action relies on paragraphs 14-20 and 37-39 of Skinner for disclosure of "submitting the optimized bids for each advertisement-keyword pair ... to the competitive bidding process." However, the cited portions of Skinner merely disclose how bids for auctioned positions in a search results list may be placed by advertisers. For successful bids, the Skinner process results in placement of the winning advertiser's search listing in search results lists. Notably, the winning advertiser's listing in Skinner is merely a link to an advertiser's web site. Also, as stated above, Skinner does not disclose or fairly suggest selection of the advertisement as part of the bidding process. Thus, the bids submitted in Skinner are not for an advertisement-keyword pair. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element h) of claim 1.

Based at least on the foregoing, it is submitted that claim 1 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that independent claim 1 and claims dependent thereon (e.g., claims 2-21, 23-30, 55, and 58) are currently in condition for allowance.

Additionally, claim 6 is directed to a method in which "at least one of the initial plurality of candidate keywords and the expanded plurality of candidate keywords is

automatically generated based at least in part from content of the at least one candidate advertisement." This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 6. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action admits that Skinner does not disclose the limitations of claim 6. Thus, the Office Action totally relies on Paine for disclosure of the limitations of claim 6. More specifically, the Office Action relies on paragraphs 4 and 13 of Paine for disclosure of the limitations of claim 6. However, the cited portions of Paine merely disclose two techniques for making search term recommendations to an advertiser. The first technique involves spidering, wherein the advertiser's website is searched for recurring terms on an advertiser's web site. The second technique involves collaborative filtering, wherein the advertiser is compared with other, similar advertisers and search terms the other advertisers have chosen are recommended. Notably, the cited portions of Paine do not disclose or fairly suggest generating any keyword based on the content of a candidate advertisement as recited in claim 6. Namely, the Office Action has failed to provide any citation for disclosure of keyword selection on the basis of an advertisement. Based at least on the foregoing, it is submitted that claim 6 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 6 is currently in condition for allowance for at least these additional reasons.

Additionally, claim 8 is directed to a method in which "the click-through rate for each advertisement-keyword pair is estimated by placing the corresponding candidate advertisement in a search results list on a trial basis." This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 8. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action does not cite Paine for disclosure of the limitations of claim 8. Thus, the Office Action totally relies on Skinner for disclosure of the limitations of claim 8. More specifically, the Office Action relies on paragraphs 38, 39, and 43 for disclosure of the limitations of claim 8. However, the

cited portions of Skinner merely disclose how a database of search terms relating to an advertiser's service or product is maintained using certain criteria relating to the search term's effectiveness (e.g., impressions, clicks, click-throughs, and sales) at a given period of time (e.g., differing times of day, month, and year). Notably, Skinner does not estimate the click-through rate for a candidate advertisement or a candidate keyword, much less an advertisement-keyword pair. Moreover, Skinner does not place a candidate advertisement in a search results list on a trial basis. Based at least on the foregoing, it is submitted that claim 8 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 8 is currently in condition for allowance for at least these additional reasons.

Additionally, claim 9 is directed to a method in which "the click-through rate for each advertisement-keyword pair is estimated based at least in part on the relevance of content in the corresponding candidate advertisement to the one or more candidate keywords for the corresponding advertisement-keyword pair." This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 9. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action does not cite Paine for disclosure of the limitations of claim 9. Thus, the Office Action totally relies on Skinner for disclosure of the limitations of claim 9. More specifically, the Office Action relies on paragraphs 37-44 for disclosure of the limitations of claim 9. However, the cited portions of Skinner merely disclose how a database of search terms relating to an advertiser's service or product is maintained using certain criteria relating to the search term's effectiveness (e.g., impressions, clicks, click-throughs, and sales) at a given period of time (e.g., differing times of day, month, and year). Notably, Skinner does not estimate the click-through rate for a candidate advertisement or a candidate keyword, much less estimating a click-through rate based on the relevance of a candidate advertisement to a candidate keyword for an advertisement-keyword pair. Based at least on the foregoing, it is submitted that claim 9 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 9 is currently in condition for allowance for at least these additional reasons.



Additionally, claim 20, which depends from claim 11, is directed to a method in which the ROAI calculating in f) also includes "considering an experience level in a user associated with submission of the search query and selection of an advertisement in the corresponding search results list." This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 20. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action does not cite Paine for disclosure of the limitations of claim 20. Thus, the Office Action totally relies on Skinner for disclosure of the limitations of claim 20. More specifically, the Office Action relies on paragraphs 41-43 and FIG. 2 of Skinner for disclosure of the limitations of claim 20. However, the cited portions of Skinner merely disclose how a database of search terms relating to an advertiser's service or product is maintained using certain criteria relating to the search term's effectiveness (e.g., impressions, clicks, click-throughs, and sales) at a given period of time (e.g., differing times of day, month, and year). Notably, Skinner does not consider an experience level in a user in conjunction with calculating a bid. Based at least on the foregoing, it is submitted that claim 20 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 20 is currently in condition for allowance for at least these additional reasons.

Additionally, claim 25, which depends from claim 24 which in turn depends from claim 23, is directed to a method in which "the set of bid combinations is sorted by a product of the click-through rate and ROAI and insertion orders are placed in the sorted order." This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 25. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action does not cite Paine for disclosure of the limitations of claim 25. Thus, the Office Action totally relies on Skinner for disclosure of the limitations of claim 25. More specifically, the Office Action relies on paragraphs 44-47 and 58 of Skinner for disclosure of the limitations of claim 25. However, the cited portions of Skinner merely disclose sorting data collected from an online marketing media (OMM)

database by a primary key and according to time periods in which an event or impression took place. The designated keycode is identified as an example, of the Skinner primary key. After the sorting, Skinner compiles a master data set and identifies well defined data sets. For well defined data sets, the Skinner process calculates a new return on advertising spent (ROAS) value and a new acceptable maximum bid. Notably, Skinner does not sort bids by a product of the click-through rate and ROAI or place insertions based on such sorted bids. Based at least on the foregoing, it is submitted that claim 25 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 25 is currently in condition for allowance for at least these additional reasons.

Additionally, claim 59 is directed to a method that also includes "performing a competition assessment in which a competition assessment agent collects and analyzes information from at least one competitor's website to select one or more competitor keywords, wherein at least one of the initial plurality of candidate keywords and the expanded plurality of candidate keywords is based at least in part on the competitor keywords from the competition assessment." This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 59. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action admits that Skinner does not disclose the "performing a competition assessment" element of claim 59. Thus, the Office Action totally relies on Paine for disclosure of claim 59. More specifically, the Office Action relies on paragraph 4 and the Abstract of Paine for disclosure of the "performing a competition assessment" element of claim 59. However, the cited portions of Paine merely disclose two techniques for making search term recommendations to an advertiser. The first technique involves spidering, wherein the advertiser's website is searched for recurring terms on an advertiser's web site. The second technique involves collaborative filtering, wherein the advertiser is compared with other, similar advertisers and search terms the other advertisers have chosen are recommended. Notably, the cited portions of Paine do not disclose or fairly suggest generating any keyword based on the content of a competitor's web site as recited in

claim 59. Namely, the Office Action has failed to provide any citation for disclosure of keyword selection on the basis of a competitor's web site. Based at least on the foregoing, it is submitted that claim 59 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 59 is currently in condition for allowance for at least these additional reasons.

**Claim 57 Patentably Distinguishes Over the Combination of Skinner and Paine.**

Independent claim 57 is directed to a computer program product that includes a computer usable medium for causing: "i) selection of at least one candidate advertisement ... for subsequent placement in search results lists ...; iii) expansion of the initial plurality of candidate keywords selected in ii) based ... on the ... candidate advertisement selected in i) to form an expanded plurality of candidate keywords ...; iv) creation of an advertisement-keyword pair for each candidate advertisement selected in i) and each candidate keyword ...; v) determination of an optimized bid for each advertisement-keyword pair ...; and vi) automatic submission of the optimized bids for each advertisement-keyword pair determined in v) to the competitive bidding process for placement of each candidate advertisement selected in i) in search results lists generated in response to search queries comprising at least one keyword of the expanded plurality of candidate keywords resulting from iii)." The Office Action uses the same reasons for rejection of claim 57 as the § 103 rejection of claim 1. Therefore, the disclosures of Skinner and Paine identified above and the arguments distinguishing claim 1 also serve to distinguish claim 57. As such, this obviousness rejection is clear error on any one of at least five grounds because neither Skinner nor Paine disclose or fairly suggest sub-elements i), iii), iv), v), and vi) of claim 57. The Office Action reasons for obviousness do not cure these errors because they do not explicitly state how any of sub-elements i), iii), iv), v), or vi) would have been obvious based on Skinner, Paine, or the combination thereof.

As for sub-element i), the Office Action does not cite Paine for disclosure of this sub-element of claim 57. Thus, the Office Action totally relies on Skinner for disclosure of sub-element i) of claim 57. More specifically, the Office Action relies on paragraph 14 of Skinner for disclosure of "selection of at least one candidate advertisement." Notably,

the Skinner process does not consider selection of an advertisement as part of the bidding process. Additionally, the Applicants respectfully submit that an appropriate definition for "advertisement" in relation to claim 57 is "promotional or persuasive public notice," rather than any type of "public notice." In other words, the Skinner "search terms" would have to be described as "promotional or persuasive" in Skinner to be substituted for the "advertisement" in sub-element i) of claim 57. Accordingly, it is not appropriate to substitute "search term" for "advertisement" in the phrase "selecting at least one candidate advertisement" in sub-element i) of claim 57 or vice versa. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of sub-element i) of claim 57.

As for sub-element iii), the Office Action admits that Skinner does not disclose this sub-element of claim 57. Thus, the Office Action totally relies on Paine for disclosure of sub-element iii) of claim 57. More specifically, the Office Action relies on paragraph 4 and 13 of Paine for disclosure of "expansion of the initial plurality of keywords ... based ... on the ... candidate advertisement ... to form an expanded plurality of keywords." Notably, the cited portions of Paine do not disclose or fairly suggest expanding selected keywords as recited in sub-element iii) of claim 57. Therefore, it is not appropriate to rely on the cited portions of Paine for disclosure of sub-element iii) of claim 57.

As for sub-element iv), the Office Action does not cite Paine for disclosure of this sub-element of claim 57. Thus, the Office Action totally relies on Skinner for disclosure of element iv) of claim 57. More specifically, the Office Action relies on paragraphs 37-39 of Skinner for disclosure of "creation of an advertisement-keyword pair for each candidate advertisement ... and each candidate keyword." Notably, Applicants have failed to find reference to creating combinations of advertisements and keywords to create advertisement-keyword pairs as recited in sub-element iv) of claim 57. Applicants respectfully submit that the mere presence of an OMM (or search engine) does not necessarily require creating an advertisement-keyword pair for each selected advertisements and each selected keyword. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of sub-element iv) of claim 57.

As for sub-element v), the Office Action does not cite Paine for disclosure of this sub-element of claim 57. Thus, the Office Action totally relies on Skinner for disclosure of sub-element v) of claim 57. More specifically, the Office Action relies on paragraphs 44-60 of Skinner for disclosure of "calculation of an optimized bid for each advertisement-keyword pair." Notably, the Skinner process does not consider an actual advertisement to be placed in the search results list as a variable in calculating a bid during the bidding process. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of sub-element v) of claim 57.

As for element vi), the Office Action does not cite Paine for disclosure of this sub-element of claim 57. Thus, the Office Action totally relies on Skinner for disclosure of sub-element vi) of claim 57. More specifically, the Office Action relies on paragraphs 14-20 and 37-39 of Skinner for disclosure of "submission of the optimized bids for each advertisement-keyword pair ... to the competitive bidding process." Notably, the winning advertiser's listing in Skinner is merely a link to an advertiser's web site. Also, as stated above, Skinner does not disclose or fairly suggest selection of the advertisement as part of the bidding process. Thus, the bids submitted in Skinner are not for an advertisement-keyword pair. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of sub-element vi) of claim 57.

Based at least on the foregoing, it is submitted that claim 57 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that independent claim 57 is currently in condition for allowance.

**Claims 31-39 Patentably Distinguish Over the Combination of Skinner and Paine.**

Independent claim 31 is directed to an apparatus that includes "an **advertisement selection system** for **selecting** at least one candidate advertisement ... for subsequent placement in search results lists; a **keyword selection system** ... for selecting an initial plurality of candidate keywords and for **expanding the initial plurality of candidate keywords based ... on the ... candidate advertisement** selected by the advertisement selection system **to form an expanded plurality of candidate keywords** ...; an **advertisement-keyword selection system** ... for **creating an advertisement-keyword pair for each candidate advertisement** selected by the advertisement selection

system and each candidate keyword; and a **bid determination system** ... for **calculating an optimized bid for each advertisement-keyword pair** ... and for automatically **submitting the optimized bids for each advertisement-keyword pair to the competitive bidding process** for placement of each candidate advertisement selected by the advertisement selection system in search results lists generated in response to search queries comprising at least one keyword of the expanded plurality of keywords resulting from expansion of the initial plurality of candidate keywords by the keyword selection system." The Office Action uses similar reasons for rejection of claim 31 as the § 103 rejection of claim 1. Therefore, the disclosures of Skinner and Paine identified above and the arguments distinguishing claim 1 also serve to distinguish claim 31. As such, this obviousness rejection is clear error on any one of at least five grounds because neither Skinner nor Paine disclose or fairly suggest the "selecting" limitation of the "advertisement selection system" element, the "expanding" limitation of the "keyword selection system" element, the "creating" limitation of the "advertisement-keyword selection system" element, or the "calculating" or "submitting" limitations of the "bid determination system" element of claim 31. The Office Action reasons for obviousness do not cure these errors because they do not explicitly state how any of these limitations would have been obvious based on Skinner, Paine, or the combination thereof.

As for the "selecting" limitation, the Office Action does not cite Paine for disclosure of this limitation of claim 31. Thus, the Office Action totally relies on Skinner for disclosure of the "selecting" limitation of claim 31. More specifically, the Office Action relies on paragraphs 14 and 37-43; FIG. 2, items 42 and 44; and FIG. 3, item 50 of Skinner for disclosure of an "advertisement selection system" for **"selecting of at least one candidate advertisement."** Notably, the Skinner process does not consider selection of an advertisement as part of the bidding process. Additionally, the Applicants respectfully submit that an appropriate definition for "advertisement" in relation to claim 31 is "promotional or persuasive public notice," rather than any type of "public notice." In other words, the Skinner "search terms" would have to be described as "promotional or persuasive" in Skinner to be substituted for the "advertisement" in the "selecting" limitation of claim 31. Accordingly, it is not appropriate to substitute "search term" for "advertisement" in the phrase "selecting at least one candidate advertisement"

in the "selecting" limitation of claim 31 or vice versa. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of the "selecting" limitation of claim 31.

As for the "expanding" limitation, the Office Action admits that Skinner does not disclose this limitation of claim 31. Thus, the Office Action totally relies on Paine for disclosure of the "expanding" limitation of claim 31. More specifically, the Office Action relies on paragraph 4 and 13 of Paine for disclosure of a "keyword selection system" for "expanding the initial plurality of keywords ... based ... on the ... candidate advertisement ... to form an expanded plurality of keywords." Notably, the cited portions of Paine do not disclose or fairly suggest expanding selected keywords as recited in the "expanding" limitation of claim 31. Therefore, it is not appropriate to rely on the cited portions of Paine for disclosure of the "expanding" limitation of claim 31.

As for the "creating" limitation, the Office Action does not cite Paine for disclosure of this limitation of claim 31. Thus, the Office Action totally relies on Skinner for disclosure of the "creating" limitation of claim 31. More specifically, the Office Action relies on paragraphs 37-39 and FIG. 4, item 116 of Skinner for disclosure of an "advertisement-keyword selection system" for "creating an advertisement-keyword pair for each candidate advertisement ... and each candidate keyword." Notably, Applicants have failed to find reference to creating combinations of advertisements and keywords to create advertisement-keyword pairs as recited in the "creating" limitation of claim 31. Applicants respectfully submit that the mere presence of an OMM (or search engine) does not necessarily require creating an advertisement-keyword pair for each selected advertisements and each selected keyword. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of the "creating" limitation of claim 31.

As for the "calculating" limitation, the Office Action does not cite Paine for disclosure of this limitation of claim 31. Thus, the Office Action totally relies on Skinner for disclosure of the "calculating" limitation of claim 31. More specifically, the Office Action relies on paragraphs 44-60 of Skinner for disclosure of a "bid determination system" for "calculating an optimized bid for each advertisement-keyword pair." Notably, the Skinner process does not consider an actual advertisement to be placed in the search results list as a variable in calculating a bid during the bidding process.

Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of the "calculating" limitation of claim 31.

As for the "submitting" limitation, the Office Action does not cite Paine for disclosure of this limitation of claim 31. Thus, the Office Action totally relies on Skinner for disclosure of the "submitting" limitation of claim 31. More specifically, the Office Action relies on paragraphs 14-20 and 37-39 of Skinner for disclosure of a "bid determination system" for "submitting the optimized bids for each advertisement-keyword pair ... to the competitive bidding process." Notably, the winning advertiser's listing in Skinner is merely a link to an advertiser's web site. Also, as stated above, Skinner does not disclose or fairly suggest selection of the advertisement as part of the bidding process. Thus, the bids submitted in Skinner are not for an advertisement-keyword pair. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of the "submitting" limitation of claim 31.

Based at least on the foregoing, it is submitted that claim 31 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that independent claim 31 and claims dependent thereon (e.g., claims 32-39) are currently in condition for allowance.

Additionally, claim 36, which depends from claim 33, is directed to an apparatus in which "the ROAI agent also considers an experience level in a user associated with submission of the search query and selection of an advertisement in the corresponding search results list." The Office Action uses the same reasons for rejection of claim 36 as the § 103 rejection of claim 20. Therefore, the disclosures of Skinner and Paine identified above and the arguments distinguishing claim 20 also serve to distinguish claim 36. This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 36. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action does not cite Paine for disclosure of the limitations of claim 36. Thus, the Office Action totally relies on Skinner for disclosure of the limitations of claim 36. More specifically, the Office Action relies on paragraphs 41-43 and FIG. 2 of Skinner for disclosure of the limitations of claim 36. Notably, Skinner does not consider



an experience level in a user in conjunction with calculating a bid. Based at least on the foregoing, it is submitted that claim 36 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 36 is currently in condition for allowance for at least these additional reasons.

Additionally, claim 39, which depends from claim 38 which in turn depends from claim 37, is directed to an apparatus in which "the bid determination system sorts the optimal set of bid combinations by a product of the click-through rate and ROAI and insertion orders are placed in the sorted order." The Office Action uses the same reasons for rejection of claim 39 as the § 103 rejection of claim 25. Therefore, the disclosures of Skinner and Paine identified above and the arguments distinguishing claim 25 also serve to distinguish claim 39. This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 39. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action does not cite Paine for disclosure of the limitations of claim 39. Thus, the Office Action totally relies on Skinner for disclosure of the limitations of claim 39. More specifically, the Office Action relies on paragraphs 44-47 and 58 of Skinner for disclosure of the limitations of claim 39. Notably, Skinner does not sort bids by a product of the click-through rate and ROAI or place insertions based on such sorted bids. Based at least on the foregoing, it is submitted that claim 39 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 39 is currently in condition for allowance for at least these additional reasons.

**Claims 42-52 Patentably Distinguish Over the Combination of Skinner and Paine.**

Independent claim 42 is directed to a method that includes "a) selecting at least one candidate advertisement associated with the advertiser for subsequent placement in search results lists ...; b) selecting one or more keywords based at least in part on content of the at least one candidate advertisement ... to ... provide one or more optimized keywords; c) creating an advertisement-keyword pair for each candidate advertisement selected in a) and each optimized keyword selected in b) ...; d)

calculating an optimized bid for each advertisement-keyword pair ...; and e) automatically submitting the optimized bids for each advertisement-keyword pair calculated in d) to the competitive bidding process for placement of each candidate advertisement selected in a) in search results lists generated in response to search queries comprising at least one keyword of the one or more optimized keywords." The Office Action uses similar reasons for rejection of claim 42 as the § 103 rejection of claim 1. Therefore, the disclosures of Skinner and Paine identified above and the arguments distinguishing claim 1 also serve to distinguish claim 42. As such, this obviousness rejection is clear error on any one of at least five grounds because neither Skinner nor Paine disclose or fairly suggest elements a), b), c), d), and e) of claim 42. The Office Action reasons for obviousness do not cure these errors because they do not explicitly state how any of elements a), b), c), d), or e) would have been obvious based on Skinner, Paine, or the combination thereof.

As for element a), the Office Action does not cite Paine for disclosure of this element of claim 42. Thus, the Office Action totally relies on Skinner for disclosure of element a) of claim 42. More specifically, the Office Action relies on paragraphs 14, 18, and 37-43; FIG. 2, items 42 and 44; and FIG. 3, item 50 of Skinner for disclosure of "selecting at least one candidate advertisement." Notably, the Skinner process does not consider selection of an advertisement as part of the bidding process. Additionally, the Applicants respectfully submit that an appropriate definition for "advertisement" in relation to claim 42 is "promotional or persuasive public notice," rather than any type of "public notice." In other words, the Skinner "search terms" would have to be described as "promotional or persuasive" in Skinner to be substituted for the "advertisement" in element a) of claim 42. Accordingly, it is not appropriate to substitute "search term" for "advertisement" in the phrase "selecting at least one candidate advertisement" in element a) of claim 42 or vice versa. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element a) of claim 42.

As for element b), the Office Action admits that Skinner does not disclose this element of claim 42. Thus, the Office Action totally relies on Paine for disclosure of element b) of claim 42. More specifically, the Office Action relies on paragraph 4 and 13 of Paine for disclosure of "selecting one or more keywords based ... on content of

the at least one candidate advertisement." Notably, the cited portions of Paine do not disclose or fairly suggest selecting any keyword based on the content of any advertisement as recited in element b) of claim 42. Additionally, the Applicants respectfully submit that an appropriate definition for "advertisement" in relation to claim 42 is "promotional or persuasive public notice," rather than any type of "public notice." In other words, the Paine "advertiser's web site" would have to be described as "promotional or persuasive" in Skinner to be substituted for the "advertisement" in element b) of claim 42. Accordingly, it is not appropriate to substitute "advertiser's web site" for "advertisement" in the phrase "selecting one or more keywords based ... on ... content of the at least one candidate advertisement" in element b) of claim 42 or vice versa. Therefore, it is not appropriate to rely on the cited portions of Paine for disclosure of element b) of claim 42.

As for element c), the Office Action does not cite Paine for disclosure of this element of claim 42. Thus, the Office Action totally relies on Skinner for disclosure of element c) of claim 42. More specifically, the Office Action relies on paragraphs 37-39 of Skinner for disclosure of "creating an advertisement-keyword pair for each candidate advertisement ... and each optimized keyword." Notably, Applicants have failed to find reference to creating combinations of advertisements and keywords to create advertisement-keyword pairs as recited in element c) of claim 42. Applicants respectfully submit that the mere presence of an OMM (or search engine) does not necessarily require creating an advertisement-keyword pair for each selected advertisements and each selected keyword. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element c) of claim 42.

As for element d), the Office Action does not cite Paine for disclosure of this element of claim 42. Thus, the Office Action totally relies on Skinner for disclosure of element d) of claim 42. More specifically, the Office Action relies on paragraphs 44-60 of Skinner for disclosure of "calculating an optimized bid for each advertisement-keyword pair." Notably, the Skinner process does not consider an actual advertisement to be placed in the search results list as a variable in calculating a bid during the bidding process. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element d) of claim 42.

As for element e), the Office Action does not cite Paine for disclosure of this element of claim 42. Thus, the Office Action totally relies on Skinner for disclosure of element e) of claim 42. More specifically, the Office Action relies on paragraphs 14-20 and 37-60 of Skinner for disclosure of "submitting the optimized bids for each advertisement-keyword pair ... to the competitive bidding process." Notably, the winning advertiser's listing in Skinner is merely a link to an advertiser's web site. Also, as stated above, Skinner does not disclose or fairly suggest selection of the advertisement as part of the bidding process. Thus, the bids submitted in Skinner are not for an advertisement-keyword pair. Therefore, it is not appropriate to rely on the cited portions of Skinner for disclosure of element e) of claim 42.

Based at least on the foregoing, it is submitted that claim 42 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that independent claim 42 and claims dependent thereon (e.g., claims 43-52) are currently in condition for allowance.

Additionally, claim 44 is directed to a method in which "the at least one candidate advertisement selected in a) is based at least in part on . . . matching content of each candidate advertisement to one or more candidate keywords." This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 44. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action admits that Skinner does not disclose the limitations of claim 44. Thus, the Office Action totally relies on Paine for disclosure of the limitations of claim 44. More specifically, the Office Action relies on paragraphs 4 and 13 of Paine for disclosure of the limitations of claim 44. However, the cited portions of Skinner merely disclose how a database of search terms relating to an advertiser's service or product is maintained using certain criteria relating to the search term's effectiveness (e.g., impressions, clicks, click-throughs, and sales). Notably, Skinner does not use the content of an advertiser web site as criteria for maintaining the database. Moreover, Skinner does not disclose that advertisements are stored in the database or selected based on information maintained in the database. Based at least on the foregoing, it is submitted that claim 44 is patentably distinguished

from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 44 is currently in condition for allowance for at least these additional reasons.

Additionally, claim 50 is directed to a method that also includes "collecting information from a bidding service provider associated with the search results list, wherein the bidding service provider information is associated with at least one of current bids for placement of advertisements and previous search queries, and wherein the bidding service provider information is considered in calculating the optimized bids in d)." This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 50. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination thereof. The Office Action does not cite Paine for disclosure of the limitations of claim 50. Thus, the Office Action totally relies on Skinner for disclosure of the limitations of claim 50. More specifically, the Office Action relies on paragraphs 39-43 of Skinner for disclosure of the limitations of claim 50. However, the cited portions of Skinner merely disclose how information is collected from an online marketing media (OMM) database, a tracking engine database, and an advertiser's database during the bidding process to maximize return on advertising spent (ROAS) by changing bids based on the information collected. Notably, Skinner does not disclose collecting information from a bidding service provider. Based at least on the foregoing, it is submitted that claim 50 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 50 is currently in condition for allowance for at least these additional reasons.

Additionally, claim 52 is directed to a method that also includes "collecting information from a competitor web site associated with a competitor in relation to the advertiser, wherein the competitor web site information is considered in calculating the optimized bids in d)." This obviousness rejection is clear error because neither Skinner nor Paine disclose or fairly suggest the limitations of claim 52. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, or the combination

thereof. The Office Action does not cite Paine for disclosure of the limitations of claim 52. Thus, the Office Action totally relies on Skinner for disclosure of the limitations of claim 52. More specifically, the Office Action relies on paragraph 48 of Skinner for disclosure of the limitations of claim 52. However, the cited portions of Skinner merely disclose how information on competitor bids is collected from an online marketing media (OMM) database. Notably, Skinner does not disclose collecting information from a competitor web site. Moreover, Skinner does not disclose using competitor web site information in calculating optimized bids. Based at least on the foregoing, it is submitted that claim 52 is patentably distinguished from the combination of Skinner and Paine. Accordingly, the Applicant respectfully submits that claim 52 is currently in condition for allowance for at least these additional reasons.

**Claim 60 Patentably Distinguishes Over the Combination of Skinner, Paine, and Phelan.**

Claim 60 depends from claim 59 which in turn depends from independent claim 1. Accordingly, claim 60 is patentably distinct from the combination of Skinner, Paine, and Phelan et al. for at least the same reasons provided above distinguishing claim 1 from Skinner and claim 59 from the combination of Skinner and Paine. Based at least on the foregoing, Applicants respectfully submits that claim 60 is currently in condition for allowance.

Additionally, claim 60 is directed to a method that also includes "calculating a competitor ROAI for each competitor keyword based at least in part on the competition assessment, wherein the optimized bids calculated in g) are based at least in part on competitor ROAIs for competitor keywords related to the one or more candidate keywords for advertisement-keyword pairs for corresponding optimized bids." This obviousness rejection is clear error because the combination of Skinner, Paine, and Phelan does not disclose or fairly suggest the limitations of claim 60. The Office Action reasons for obviousness do not cure this error because they do not explicitly state how the limitations would have been obvious based on Skinner, Paine, Phelan, or any combination thereof. The Office Action admits that neither Skinner nor Paine disclose the limitations of claim 60. Thus, the Office Action totally relies on Phelan for disclosure

of the limitations of claim 60. More specifically, the Office Action relies on paragraphs 101-106 of Phelan for disclosure of the actual "calculating a competitor ROAI" limitation of claim 60. However, Phelan merely discloses general concepts for analyzing marketing data for effectiveness of advertising, including on-line advertising. Notably, Phelan does not disclose calculating the effectiveness of competitor keyword advertising or a competitor ROAI for a competitor keyword as recited in claim 60. Based at least on the foregoing, it is submitted that claim 60 is patentably distinguished from the combination of Skinner, Paine, and Phelan. Accordingly, the Applicant respectfully submits that claim 60 is currently in condition for allowance for at least these additional reasons.

**CONCLUSION**

For the reasons detailed above, it is submitted that all claims remaining in the application (Claims 1-21, 23-52, and 55-60) are now in condition for allowance. The foregoing comments do not require unnecessary additional search or examination.

☒ Remaining Claims, as delineated below:

(1) FOR	(2) CLAIMS REMAINING AFTER AMENDMENT LESS HIGHEST NUMBER PREVIOUSLY PAID FOR		(3) NUMBER EXTRA
TOTAL CLAIMS	57	-57 =	0
INDEPENDENT CLAIMS	5	- 6 =	0

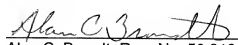
☒ This is an authorization under 37 CFR 1.136(a)(3) to treat any concurrent or future reply, requiring a petition for extension of time, as incorporating a petition for the appropriate extension of time. The appropriate fee for a petition for a 1-month extension of time associated with this submission of Amendment is being paid by credit card via the EFS Web concurrent with this submission.

☒ The Commissioner is hereby authorized to charge any filing or prosecution fees which may be required, under 37 CFR 1.16, 1.17, and 1.21 (but not 1.18), or to credit any overpayment, to Deposit Account 24-0037.

In the event the Examiner considers personal contact advantageous to the disposition of this case, he/she is hereby authorized to call Alan C. Brandt, at Telephone Number (216) 363-9000.

Respectfully submitted,

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October 6, 2010  
Date

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